

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

**JUAN E. MORA
MARIA I. JOVE RAMOS**

DEBTORS

**CASE NO. 14-04676(MCF)
CHAPTER 12**

OPPOSITION TO DEBTORS' REQUEST FOR USE OF CASH COLLATERAL

TO THE HONORABLE COURT:

Comes now, Oriental Bank ("Oriental"), represented by the undersigned attorney who respectfully prays and states as follows:

PROCEDURAL BACKGROUND

1. On July 9, 2014, Debtors filed an "Emergency Motion to Use Cash Collateral". In summary, Debtors requested to use the cash collateral to buy additional dairy cattle that according to them should be able to produce at higher volume. *See, Docket 13.*

2. The Honorable Court scheduled a hearing on Debtors' Emergency Motion to Use Cash Collateral for July 31, 2014. *See, Docket 13.*

INTRODUCTION

3. Section 363(e) of the Bankruptcy Code provides that "On request of an entity that has an interest in property used, sold, or leased, or proposed to be used, sold, or leased, by the Debtor, the Court with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide **adequate protection** of such interest." Section 1205 of the Bankruptcy Code outlines the forms of adequate protection a family farmer or family fisherman may be required to provide to secured creditors in Chapter 12 cases. According to Section 1205, a

Debtor may provide adequate protection in various ways, including cash payments, replacement liens, reasonable rent, or “other such relief” that will adequately protect a creditor’s interest in property.

CREDIT FACILITIES

4. As of the time of the filing, Oriental Bank is owed approximately \$2,698.688.00 as arising from three (3) credit facilities extended by former Eurobank, now Oriental. These credit facilities are collateralized by security interests over the accounts receivables of debtor’s milk production; personal property consisting of 69,500 quarts of milk quota; and mortgage liens over four real properties located at Hatillo, Puerto Rico. All three (3) facilities are fully matured and currently owed.

ORIENTAL’S OPPOSITION TO USE OF CASH COLLATERAL

5. On their motion, Debtors provided payments of \$400.00 for adequate protection to Oriental Bank for the use of its cash collateral. Oriental submits that this amount is not sufficient to provide adequate protection taking into consideration that this is not Debtors’ first bankruptcy case.

6. Given the state of the milk industry, the income and profit margin received by dairy farmers, it is clear that Debtors should pay Oriental a reasonable amount of adequate protection payment and cannot be allowed to unlimited use of cash collateral without any controls.

7. In view that Oriental is the main creditor in the case; that Debtors are projecting an income surplus, plus the additional income derived from the new cattle; Debtors should provide adequate protection payments for the use of Oriental’s cash collateral.

8. Moreover, if this Court grants the use of cash collateral, Debtors have to be instructed that they are not allowed to use any excess of the amount requested. If fact, any excess should be used to pay Oriental Bank.

9. Likewise, this Honorable Court should not allow the Debtors the use of cash collateral without full accounting in at least a bi-weekly basis for the expenses.

WHEREFORE, Oriental Bank respectfully requests the Honorable Court to deny Debtors' "Emergency Motion for Use of Cash Collateral" filed at Docket 13.

In San Juan, Puerto Rico, the 28th day of July, 2014.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that a copy of this motion is being sent by first class mail to the Debtor(s): **JUAN E. MORA ROMAN and MARIA I. JOVE RAMOS**, at the address on record: PO BOX 1114, ARECIBO, PUERTO RICO 00613-1114; and to the authorized addresses through/by the Bankruptcy CM/ECF System to: Debtor's counsel, **HOMEL ANTONIO MERCADO JUSTINIANO**; and to **JOSE RAMON CARRION MORALES**, Chapter 12 Trustee.

DELGADO & FERNÁNDEZ, LLP

PO Box 11750

Fernández Juncos Station

San Juan, Puerto Rico 00910-1750

☎ (787) 274-1414

📠 (787) 764-8241

S/MARISTELLA SÁNCHEZ RODRÍGUEZ

MARISTELLA SÁNCHEZ RODRÍGUEZ

USDC-PR #224714

msanchez@delgadofernandez.com